

peace, and that this opportunity is fragile. We are deeply concerned about the level of P.L.O. compliance; nevertheless, we are heartened by the progress that, thanks in part to MEPFA, has been attained. At the same time, we understand that reducing our country's involvement or cutting aid to the Palestinian Authority, which has committed itself to making peace with Israel, is not now the proper vehicle for expressing our concern. This is why we call upon you to support peace and let the negotiations continue unhindered.

In the voice of our tradition we say, "One does not have the responsibility to complete the task, but neither is one free to take leave of it." We urge you to play your part in helping peace grow strong. Thank you.

Sincerely,

(Signed by over 1,000 American rabbis.)

### EXTENSION OF TIME FOR MORNING BUSINESS

Mr. HOLLINGS. Mr. President, I ask unanimous consent to extend morning business for 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

### RECONCILIATION

Mr. HOLLINGS. Mr. President, last Friday in the wee hours of the night there was a total abandonment of any kind of truth in budgeting. There is no better way to express it.

Under this entire charade, once again, we have lied to the American people. There is no question that in those wee hours, Mr. President, that they were trying their dead-level best and finally succeeded in buying off the votes of certain of the Senators with respect to Medicaid.

In order to purchase it, what they did was use Social Security funds. That was a use and violation—not only of the rule but of the law. The rule was called by the distinguished Senator from Florida and the distinguished Senator from Iowa, Senator HARKIN. If you ever want to see distortion, obfuscation, and abandonment of responsibility by the Parliamentarian in the U.S. Senate, I wish you would read that RECORD.

Be that as it may, the Chair would say, I do not know. We will refer to the chairman of the committee, Senator DOMENICI, and say, well, I like what the Chair has ruled. Ruled and on and on and back and forth but no idea of a parliamentary ruling or recognition of the law. That is why I take the floor today.

What really happens is that they constantly are talking about a balanced budget when everybody—both at the White House, the Democratic White House, and the Republican Congress—know that it cannot be done. It cannot be done without increasing taxes.

Here in the extreme, they are talking about decreasing taxes—about tax cuts.

Let me go right to the point here, so I can make a coherent record.

Mr. President, I ask unanimous consent that this little two-page summary of budget tables be printed in the RECORD at this particular point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

### "Here We Go Again": Senator Ernest F.

#### Hollings

[In billions of dollars]

Starting in 1995 with:

(a) A deficit of \$283.3 billion for 1995:	
Outlays .....	1,530
Trust funds .....	121.9
Unified deficit .....	161.4
Real deficit .....	283.3
Gross interest .....	336.0

(b) And a debt of \$4.927 billion.

How do you balance the budget by:

(a) Increasing spending over revenues \$1,801 billion over 7 years?

### GOP "SOLID", "NO SMOKE AND MIRRORS" BUDGET PLAN

[In billions of dollars]

Year	CBO outlays	CBO revenues	Cumulative deficits
1996 .....	1,583	1,355	-228
1997 .....	1,624	1,419	-205
1998 .....	1,663	1,478	-185
1999 .....	1,718	1,549	-169
2000 .....	1,779	1,622	-157
2001 .....	1,819	1,701	-118
2002 .....	1,874	1,884	+10
Total .....	12,060	11,008	-1,052

(b) And increasing the national debt from \$4,927.0 billion to \$6,728.0 billion?

### DEBT <sup>1</sup>

[In billions of dollars]

Year	National debt	Interest costs
1995 .....	4,927.0	336.0
1996 .....	5,261.7	369.9
1997 .....	5,551.4	381.6
1998 .....	5,821.6	390.9
1999 .....	6,081.1	404.0
2000 .....	6,331.3	416.1
2001 .....	6,575.9	426.8
2002 .....	6,728.0	436.0
Increase 1995-2002 .....	1,801.0	100.0
	1996	2002

<sup>1</sup> Debt off CBO's August baseline includes:

1. Owed to the trust funds .....

2. Owed to Government accts .....

3. Owed to additional borrowing .....

[Note: No "unified" debt; just total debt]

1 Off CBO's August baseline.

<sup>2</sup> Included above.

(c) And increasing mandatory spending for interest costs by \$100 billion?

[Deficit in billions of dollars]

How? You don't!

(a) 1996 Budget: Kasich conference report, p. 3 .....

(b) October 20, 1995, CBO letter from June O'Neill .....

—You just fabricate a "paper balance" by "smoke and mirrors" and borrowing more: Smoke and Mirrors.

(a) Picking up \$19 billion by cutting the Consumer Price Index (CPI) by .2 percent—thereby reducing Social Security benefits and increasing taxes by increasing "bracket creep".

(b) With impossible spending cuts:

Medicare .....

Medicaid .....

Welfare .....

(c) "Backloading" the plan:

—Promising a cut of \$347 billion in FY2002 when a cut of \$45 billion this year will never materialize.

[In billions of dollars]

	Outlays	Revenues
(d) By increasing revenues by decreasing revenues (tax cut) .....		\$245
2002 CBO Baseline Budget .....	1,874	1,884

[In billions of dollars]

	Outlays	Revenues
This assumes:		
(1) Discretionary Freeze Plus Discretionary Cuts (in 2002) .....		121
(2) Entitlement Cuts and Interest Savings (in 2002) .....		226
[1996 cuts, \$45 B] spending reductions (in 2002) .....		-\$347
Using SS Trust Fund .....		-115
Total reductions (in 2002) .....		-462
+Increased borrowing from tax cut .....		-93
Grand total .....		-555
(e) By borrowing and increasing the debt (1995-2002)—Includes \$636 billion "embezzlement" of the Social Security trust fund .....		1,801

### The Real Problem—

Not Medicare—In surplus \$147 billion—Paid For

Not Social Security—In surplus \$481 Billion—Paid For

But interest costs on the national debt—are now at almost \$1 billion a day and are growing faster than any possible spending cuts

—AND both the Republican Congress and Democratic White House as well as the media are afraid to tell the American people the truth: "A tax increase is necessary."

—SOLUTION: Spending cuts, spending freezes, tax loophole closings, withholding new programs (AmeriCorps) and a 5 percent value added tax allocated to the deficit and the debt.

### "Here We Go Again"—Promised Balanced Budgets

billion

President Reagan (by fiscal year 1984):

President Reagan (by fiscal year 1991):

President Bush (by fiscal year 1995):

1981 Budget .....

1985 GRH budget .....

1990 budget .....

Mr. HOLLINGS. Mr. President, start in the year 1995; we are going to try to balance the budget. Starting in the year 1995, you start with a deficit of \$1.518 trillion in outlays, so you have a deficit here of \$283 billion for 1995. And a debt of \$4.927 trillion.

If you start with a deficit and a debt of almost \$5 trillion and you look at the increased spending over revenues during each of the fiscal years, using Congressional Budget Office figures, you will find that cumulatively, from 1996—and each year is listed in this particular document to 2002—there is an increase of spending of \$12.06 trillion over revenues received over each of those years—cumulatively, now, of \$11.008 trillion.

So you are spending \$1 trillion more than you are taking in over this GOP budget plan. Specifically, you can look at last month. September ended the fiscal year 1995. If you look at the outlays for that year and for this year, 1996, and you see the increase from the \$1.530 trillion to \$1.583—or a \$53 billion increase in spending.

Now we are going to cut spending, balance the budget, cut spending—yet the very first year here we have increased spending \$53 billion.